

**Department of Natural Resources
Timber Report
Fourth Quarter Fiscal Year (FY) 2012-13**

Background

Michigan's state forest system was originally certified under both the Sustainable Forestry Initiative (SFI) and the Forest Stewardship Council (FSC) third-party forest certification standards in December 2005. Through annual audits, Michigan has retained certification under both standards.

Forest certification protocols require public participation in forest management planning and forest operations. The Department of Natural Resources (Department) compartment review has been recognized as a key public participation mechanism that meets requirements for forest certification.

The Department's investment in forest certification strengthens Michigan's forest products sector. Certification is essential in order for primary wood producers in Michigan to have continued access to national and international markets.

Fourth Quarter FY 2012-13 Timber Treatments

Timber treatments in a given year are based on forest inventory and decisions made two years prior through the compartment review process. Additional treatments are approved outside the compartment review when timber salvage is feasible because of fire or insect and disease impacts.

Each year timber harvest treatments are prescribed for both softwood (coniferous) and hardwood (deciduous) tree species. Although hardwood and softwood trees often grow together, forest stands are typically coded by the predominant tree species present. The table below reports hardwood¹ forest stands prescribed for treatment by Year of Entry (YOE).

Year of Entry (YOE)	Hardwood Acres Prescribed
2009	34,986
2010	32,630
2011	30,962
2012	37,890
2013	39,073

The FY 2012-13 plan of work identified 77,768 acres for timber sale preparation that were approved through the compartment review process. Many of these acres were prescribed because of the impact of Emerald Ash Borer and Beech Bark Disease. In some cases, these acres are being prepared ahead of the normal schedule. Managers developed work plans to prepare 72,000 inventory acres for sale. Any acres not completed will be added to next year's plan.

¹ Hardwood cover types include aspen, birch, mixed northern hardwoods, oak, swamp hardwoods, and lowland poplar.

In FY 2012-13, the Department prepared 619 timber sale proposals, accounting for 64,015 sale acres and an estimated volume of 942,754 cords on certified state forest land. There is often about a 10% reduction when going from inventory acres to sale acres due to saving patches for retention, discovery of inoperable pockets, and including buffers to protect water and wildlife.

Timber sale preparation is done by Department staff and through timber marking contracts with private consultants. Timber sale marking contracts awarded in FY 2012-13 accounted for a total of 11,235 acres. Preparation contracts awarded in the first two quarters of the fiscal year accounted for 8,073 acres and were completed by the fiscal year's end. Contracts awarded in the fourth quarter accounted for the remaining 3,162 acres and are scheduled to be completed in FY 2013-14.

A total of 61,191 acres were sold in FY 2012-13, with an estimated volume of 921,600 cords. Of the 682 sales offered for bid in FY 2012-13, 585 sold on their initial offering. Of the 97 sales that received no bids upon initial offering this fiscal year, 52 have since sold. In the previous five years (FY 2008 through FY 2012), about 7% of sales received no bids on average. This year's higher rate of sales going "no-bid" is likely tied to the significant amount of timber already under contract and the high number of less desirable salvage sales that were offered.

No-Bid Summary

FY 2012-13	Total sales offered in the quarter ²	Offerings with no bids ³	Percent (%) of sales that were no-bid
1 st quarter	180	19	11%
2 nd quarter	168	19	11%
3 rd quarter	214	22	10%
4 th quarter	120	37	31%
Total	682	97	14%

² Includes sales that have been modified and re-offered

³ Includes sales that were no-bid more than once